11 Socio-economic Update

While economic growth is essential for development, this is hardly an end in itself. In order to derive benefits of growth, it is important to recognize the interdependence between social and economic policies and promote their integration. Unfortunately social sector development has been an area of neglect by successive governments over a long period. In fact, this underdevelopment of human capital is a serious concern facing Pakistan at present.

In this backdrop, this new chapter in SBP Annual Report provides a brief update on socio-economic developments in Pakistan with a focus on poverty, demography, employment, literacy, education and health.

11.1 Poverty

Poverty is the result of economic, social, and political processes that interact with and reinforce each other in ways that can accentuate the state of deprivation in which poor people live. Hence, any assessment of poverty encompasses a wide range of inter-related issues, including income level and its distribution, population growth, education, health, gender discrimination, and geographical location.[1] For this reason, it is always difficult to come up with a poverty estimate that captures all of its multidimensional features. Nevertheless, the most commonly used measure of poverty is the estimate of

Figure 11.1: Head Count Ratio

population falling below the poverty line which is defined as a minimum acceptable level of income or consumption of individual or households. Since the calculation of a poverty line is itself a debatable issue, this generates a considerable difference of opinion among the economist about the precise measurement of poverty.[2]

Notwithstanding the issues regarding lack of consistency in definition and estimation methods for poverty measurement, there is a broad agreement that the incidence of poverty in Pakistan has increased considerably during the decade of 1990s, particularly between FY97 and FY99 (see **Figure 11.1**).[3] This finding also receives considerable support from various social and human development indicators, which are showing a dismal picture, both in absolute and relative terms (discussed later).

Focusing on FY97-99, this period is marked by severe fiscal crunch and slowdown in economic growth. While limited fiscal resources constrained the government from undertaking pro-poor initiatives, the economic slowdown capped any notable rise in the per capita income (see **Figure 11.2**). Given the kind of shocks the economy has been facing since FY99, the prospects for any

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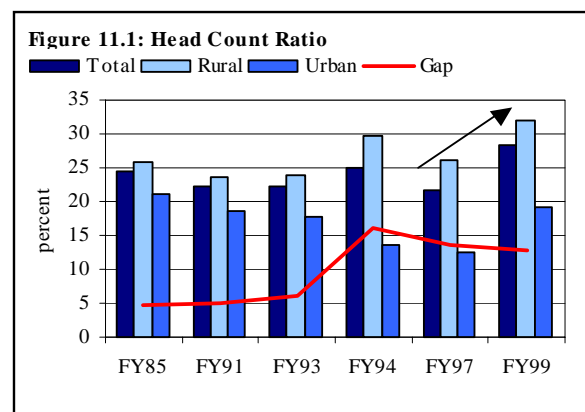
[1] In a broader context, poverty is also related to institutional factors like inability of poor to access public goods and services, which determine the overall human development.

[2] The Planning Commission has defined poverty line estimates at 2,350 calories per adult equivalent per day, which in monetary terms is equal to Rs 670 per capita per month.

[3] The head count ratio (defined as the number of poor below the poverty line) is derived from Household Income Expenditure Survey (HIES) published by the Federal Bureau of Statistics (FBS), which is available latest for FY99.

significant poverty reduction have considerably mitigated.[4] Although the development expenditures have risen recently following the take-off of PRGF, the poverty reduction initiatives would yield definite results after a time lag.

Looking at **Figure 11.1**, the poverty trends were strikingly different in rural and urban areas during early 1990s: while the poverty in urban areas was *declining*, the rural areas were facing a sharp *rise* in poverty incidence, thus

Figure 11.2: Growth in Per Capita Income

leading to a notable jump in the rural-urban poverty gap during FY94. The steep rise in rural poverty appears unusual, as agricultural sector witnessed an average annual growth of 3.6 percent during FY91-94. This seeming anomaly can be explained by the large variations in the agricultural growth (see **Figure 11.3**). To explain it further, the resulting contraction in rural incomes might have forced households to use up their assets as well in order to meet current expenses. Since asset accumulation and poverty reduction are closely related, any cut on asset holdings negatively impacts household welfare.

Figure 11.3: Agriculture Growth & Rural Poverty

Interestingly, the subsequent growth in the agriculture sector coincides with the decline in rural poverty during FY94-97. Afterwards, though the poverty has been growing both in rural and urban areas, the incidence is marginally higher in urban household, thus resulting into slower narrowing of the gap (see **Figure 11.1**).

The persistently higher rural poverty is also attributable to the highly skewed pattern of land holdings. While more than one-half of the rural population in Pakistan is landless, 93 percent of total farms (covering over 60 percent of area) was smaller than the subsistence land holding of 10 hectares (see **Table 11.1**). The land ownership is also important in determining the access to credit from the formal banking system.
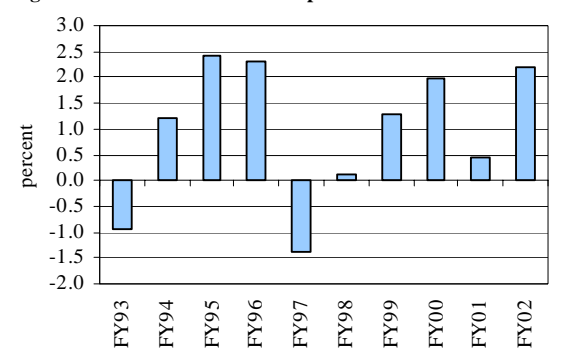
Table 11.1: Farm Classification by Size - 1990

percent

Hectares	Number of farms	Farm area
Less than 5	81	39
5 and under 10	12	22
10 and under 20	5	16
20 and under 60	2	14
More than 60	--	10

Source: Pakistan Statistical Year Book 2002 by FBS

In addition, the nature of contract between landowner and cultivator also influences the economic status of the rural population. For example, a more traditional contract based on `sharecropping', (whereby the landowner and the cultivator share the cost of the inputs and the revenues from the harvest) is chosen when the leasee is poor and cannot raise the funds to pay the amount for lease and inputs beforehand. In such a case, the risks for the cultivator are lower, but so are the revenues. Furthermore, low level of mechanization does not allow significant increases in value addition and a

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[4] Since FY99, the economy has suffered the implication of SBA (fiscal squeeze and sharp changes in exchange rate/interest rates), severe drought, and the September 11 shock on investment climate.

consequent reduction in poverty incidence. According to Census of Agriculture (1990), a 35 percent of total farm area was cultivated by other than owners.

The changes in poverty incidence are also explained by trends in income inequality that largely follow the economic growth rates (see **Figure 11.4**). While the overall income distribution improved slightly during FY91-99 period, the inequality in urban household is consistently higher than in rural areas, except for FY97; the gap has widened considerably in FY99.

As discussed earlier, the poverty is a much broader concept than represented by consumption and income measures alone. In particular, the notion of poverty also considers deficiency in social and human development as well as institutional growth. Looking from this perspective, the broad definition of poverty provides some understanding on the widening social gap between urban and rural areas, and between genders, which is considered as one of the main reasons hindering growth and poverty reduction. Although it is difficult to estimate a single index of poverty that includes all of its dimensions, the Mahbub-ul-Haq Centre for Human Development (MHCHD) has come up with a composite index of poverty in Pakistan that incorporates deprivation in health and education along with the income poverty.[5]

It is evident from **Table 11.2** that income poverty is increasing during 1990s. However, the overall poverty of opportunity index (POPI) is falling largely due to significant improvements in health. On the other hand, the poverty of education opportunities is showing a more gradual decline. Like income-based measure, POPI is also showing widening gender-gap since 1980. The rural-urban gap has narrowed since 1986, which is in contrast to earlier findings based on income poverty (compare **Figure 11.1** with **Table 11.3**).

11.2 Demography
There is a broad consensus that the rapid population growth and poverty reinforce each other (i.e., high fertility causes poverty, which
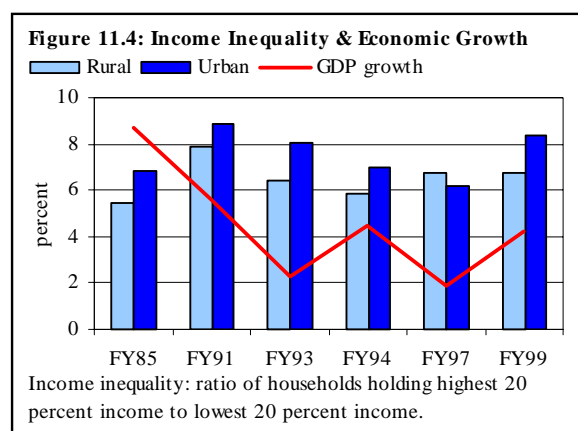

Figure 11.4: Income Inequality & Economic Growth

Rural — Urban — GDP growth

Income inequality: ratio of households holding highest 20 percent income to lowest 20 percent income.

Table 11.2: Poverty of Opportunity Index (POPI)

percent

	Poverty of opportunity in			POPI	POPI		
	Health	Education	Income		Male	Female	Gap
1970	55	77	40	61	56	67	100
1975	49	74	35	58	52	64	102
1980	46	73	38	56	51	62	101
1985	42	67	25	51	46	59	107
1990	36	62	20	46	41	56	114
1995	30	58	30	44	37	52	116

Source: Mahbub-ul-Haq Centre for Human Development, 1999

Table 11.3: Trends in POPI for Rural and Urban Areas

	Poverty of opportunity		Gap
	Urban	Rural	
1986	40	61	100
1988	37	55	99
1993	35	48	92

Source: Mahbub-ul-Haq Centre for Human Development, 1999

Table 11.4: Pakistan's Ranking in the World Population

	1950-55	2000-05	2045-50
Population size[1]	13	7	4
Population increase	9	3	2
World annual births	9	3	3

[1]: Data pertains to 1950, 2000 and 2050 respectively
Source: World Population Prospects: the 2000 Revision, Vol. III, United Nation Population Division

[5] The POPI is a composite of deprivation in health, education and income. The POPI for health is a weighted average of three variables: the percentage of people not expected to survive to age 40; the percentage of people without access to safe water; and percentage of malnourished children under age 5. The POPI for education includes two variables: the percentage of illiterate adults and the percentage of primary school-age children who are out of school. The income deprivation is based on estimates from work conducted by Shahid Javed Burki.

in turn, contributes to the higher fertility). In this context, the low fertility turns up as one of the keys to reducing poverty incidence.

However, in the case of Pakistan, despite definite evidences of fertility decline in 1990s, the population growth rate is still very high in relative terms.[6] To put this into perspective, in terms of *population size*, Pakistan is the 7th most populous country in the world and the 4th in Asia. It is expected that by 2050, Pakistan's population will rank fourth in the world after India, China and USA (see **Table 11.4**). Even considering the projected world *population increase* during 2000-2005, Pakistan ranks third in absolute numbers after India and China.

A further analysis of demographic increase for Pakistan indicates a long history of high population growth rates (see **Table 11.5**). The expansion during 1960s and 1970s is attributable to the lagged impact of the rapid decline in crude death rate observed during 1950s and 1960s, which was not followed by any fall in crude birth rate in these decades (see **Figure 11.5**).[7] In fact, the total fertility rate (TFR) was relatively higher in 1970s compared to the previous decade (see **Table 11.6**).[8]

Table 11.5: Intercensal Growth Rates in Pakistan

	Population	Annual growth rate
1941	28,282	1.9
1951	33,816	1.8
1961	42,978	2.4
1972	65,321	3.6
1981	84,253	3.0
1998	130,580	2.6

Table 11.6: Trends in Total Fertility Rates Depicted by Various Data Sources

1960s		1970s		1980s		1990s	
Source	TFR	Source	TFR	Source	TFR	Source	TFR
PGE 1962-65 (CD)	7.95	PLM 1975-79	6.50	PCPS 1984-85	6.0	PCPS 1994-95	5.6
PGE 1962-65 (LR)	6.09	PLM 1970-75	7.10	PDS 1984-88	6.9	PFFPS 1992-96	5.4
NIS 1968-69	5.02	PFS 1970-74	6.28	PDHS 1986-91	5.5	PIHS 1994-96	4.5
PGS 1968-71	6.04	PFS 1965-69	7.07	PIHS 1987-91	6.3		
		PGS 1976-79	6.90				
Average	**6.3**		**6.8**		**6.2**		**5.1**

Source: 'Fertility in Pakistan: Past, Present and Future' by Zeba A. Sathar
PGE (1962-65) CD: Population Growth Experiment Rates Adjusted by Chandra-Deeming Formula
PGE (1962-65) LR: Population Growth Experiment - Rates Based on Longitudinal Registration
NIS (1968-69): National Impact Survey
PGS (1968-71): Population Growth Survey, 1968, 1969, 1971
PLM (1970-74 & 1975-79): Pakistan Labor Force and Migration Survey 1979
PFS (1965-69 & 1970-74): Pakistan Fertility Survey 1975
PGS (1976-79): Population Growth Survey, 1976, 1977, 1978 and 1979
PCPS (1984-85): Pakistan Contraceptive Prevalence Survey 1984-85
PDS (1984-88): Pakistan Demographic Surveys 1984, 1985, 1986, 1987 and 1988
PDHS (1986-91): Pakistan Demographic and Health Survey 1990-91
PIHS (1987-91): Pakistan Integrated Household Survey 1991
PCPS 1994-95: Pakistan Contraceptive Prevalence Survey
PFFPS 1996-97: Pakistan Fertility and Family Planning Survey
PIHS 1994-96: Pakistan Integrated Household Survey

[6] According to current estimates, Pakistan has a total population of 145.96 million, with intercensal growth rate recording a considerable fall from 3.0 to 2.6 percent during 1981-98 period.
[7] Crude birth rate is calculated as the number of births per 1000 population, whereas crude death rate is calculated as the number of deaths per 1000 population. The **Figure 11.5** is based on numbers available in various issues of Pakistan Economic Survey.
[8] Total fertility rate indicates the number of children per woman during her reproductive span of life.

Figure 11.5: Demographic Transition in Pakistan

Figure 11.6: Singulate Mean Age at Marriage
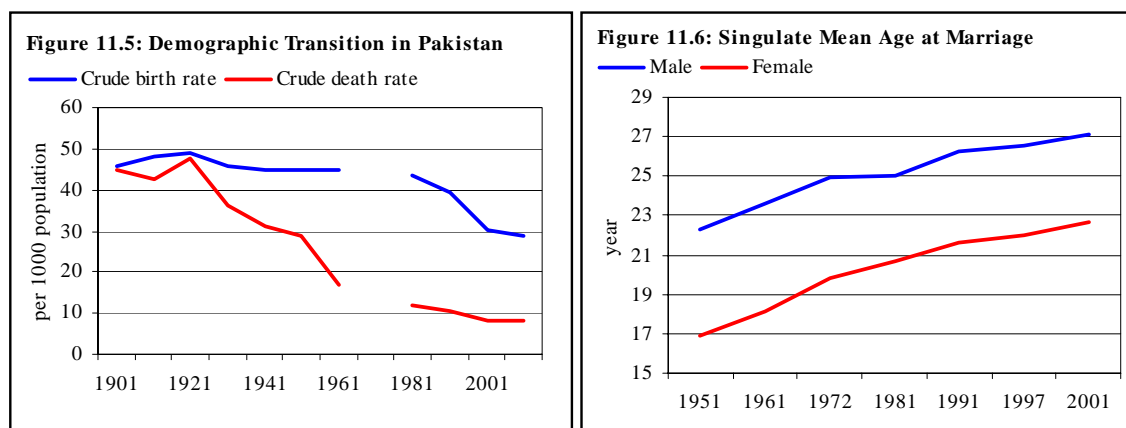
Subsequently, the TFR showed a marginal decline during 1980s, and a more distinct fall for 1990s. The recent evidence on fertility transition is also supported by rising age of females at marriage (see **Figure 11.6**).[9] Consequently, the population growth rate that remained at fairly high level of 3.0 percent during 1972-81, fell to 2.6 percent during 1981-98. Since the growth is an average of intercensal period, this suggests that the population growth during the latter part would be still lower.

Despite this falling population growth rate, the pace and size of fertility transition are very slow compared to other developing countries. As shown in **Table 11.7**, Pakistan's performance is very poor in terms of improvement in total fertility rate per decade. This also points out the fact that the decline in birth and death rates is not necessarily a function of economic development. Indeed, the effectiveness of population policies is also a major determinant of falling birth and death rates. In this regard, the examples of Sri Lanka and Bangladesh are notable where the total fertility rate declined rapidly despite the fact that these countries have not yet achieved significant levels of economic development.

Table 11.7: Improvement in Total Fertility Rate

	Population in 2000 (in thousands)	Total fertility rate				Improvement in TFR	Number of years taken	Improvement per decade
		Maximum	Year	Minimum	Year			
Sri Lanka	18,924	5.98	1958	2.10	1998	3.88	40	0.97
Bangladesh	137,439	7.10	1963	3.80	1998	3.30	35	0.94
Turkey	66,668	6.90	1953	2.70	1998	4.20	45	0.93
Malaysia	22,218	6.94	1958	3.26	1998	3.68	40	0.92
Indonesia	212,092	5.67	1958	2.60	1998	3.07	40	0.77
India	1,008,937	5.97	1953	3.32	1998	2.65	45	0.59
Pakistan	**141,256**	**6.28**	**1978**	**5.48**	**1998**	**0.80**	**20**	**0.40**
Nepal	23,043	6.06	1963	4.83	1998	1.23	35	0.35

Source: World Population Prospects: the 2000 Revision, Vol. III, United Nation Population Division

This slower pace of fertility transition has clear implications for the age structure of the population. As evident from **Figure 11.7**, around 43 percent of the population is under 15 years of age, whereas the adolescent population (age 15-24) is around 20 percent. This means that a sizeable cohort will very soon be reaching childbearing age. At the same time, the large female population in the age group of 15-44 is also adding to the built-in inertia of population growth that may not allow reduction in fertility rate to immediately translate into equivalent fall in birth rates. It may be noted that the

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[9] The singulate mean age at marriage (the average number of years lived in single state) is based on census for years 1951, 1961, 1972 and 1981; Pakistan Demographic Housing Survey for 1991; Pakistan Fertility and Family Planning Survey for 1997; and Pakistan Reproductive Health and family Planning Survey for 2001.

Figure 11.7: Population Pyramid
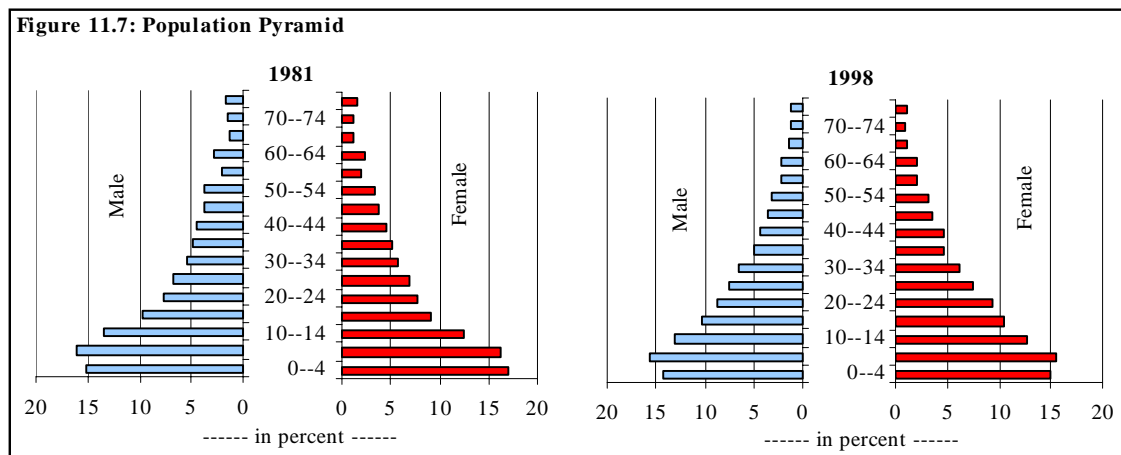
longer the fertility rate remains at high levels, the more extended will be the population growth momentum. In other words, even if the fertility rate reaches the replacement level, this will take further several decades to attain population stability (where birth rate balances death rate).

According to the projections provided by the Ministry of Population Welfare, if the fertility rate declines to replacement level of 2.1 children per woman by the year 2023, Pakistan's population will reach 204 million (see **Table 11.8**). However, due to momentum alone, population will continue to grow for another 3-4 decades. Thus, the attainment of population stabilization is not possible before 40-50 years now onward. Indeed, any shortcoming in the actual fertility rate from the targeted level will further stretch the projected timeline.

The slower pace of fertility transition has strong implications for economic and social development. In particular, this results into relatively higher dependency ratio. According to 1998 Census, only 32 percent of the total population lies in the working age group (25-59), which is almost unchanged since 1981. The resulting high dependency ratio not only constraints the saving capacity of average households but it also has strong implications for their consumption pattern and overall quality of life.

Table 11.8: Population Estimates for 2023

Total fertility rate children per woman	Population million
2.6	217
2.4	212
2.1	204

Source: Interim Population Sector Perspective Plan 2012, The Ministry of Population Welfare

Finally, the rapid urbanization during the last two decades is a remarkable change in the population structure. During 1981-98, the urban population has grown at an annual rate of 3.5 percent, which is higher than the total population growth of 2.6 percent during the same period. Apart from urbanization related problems, this also has some positive implications for overall population growth, as fertility rates are found to be considerably lower in major urban areas.[10]

11.3 Employment

The employment profile of a country is determined by an interaction of demographic, economic, social and political factors. In Pakistan, despite a discernible fall in the intercensal growth rate, population pressures continue to impact negatively on the employment. In addition, relatively lower economic growth during the last ten years affected the employment situation.

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[10] According to the Pakistan Demographic Survey (1992), the fertility rates for urban and rural population were 6.2 and 7.3 children per woman respectively – a differential of 1.1 child per woman. However, Pakistan Fertility and Family Planning Survey (1996-97) shows a higher differential of 2 children per woman, with fertility rates for urban and rural population at 3.8 and 5.8 respectively.

The rate of unemployment in Pakistan is estimated with the help of Labour Force Survey (LFS), which was conducted in FY00 by the Federal Bureau of Statistics (FBS). According to the survey, "The unemployment situation has shown an increase from 5.9 percent in FY98 to 7.8 percent in FY00. This increase has been observed for both males and females. Females are more unemployed (17.3 percent) compared to males (6.1 percent). Further by treating the employed persons, who worked less than 15 hours during the reference week, as unemployed, the unemployment rate jumps to 9 percent".
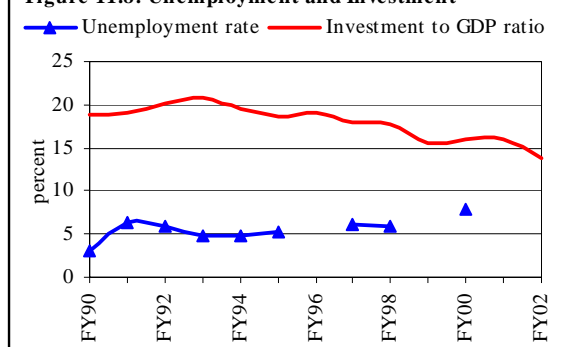
Although, estimates for the unemployment rate in the current (and recent years) will not be available till the next Labour Force Survey is conducted by FBS, it can be safely conjectured that the significant declines in this rate would remain unlikely unless the economic growth and investment scenario changes significantly. **Table 11.9** shows the rates of unemployment for the years in which LFS were conducted along with the investment to GDP ratios for the past ten years. An inverse relationship between unemployment rates and investment to GDP ratios is also observable in **Figure 11.8**.

Table 11.9: Unemployment and Investment

	Rate of unemployment	Investment to GDP ratio
FY90	3.1	18.9
FY91	6.3	19.0
FY92	5.9	20.3
FY93	4.7	20.8
FY94	4.8	19.6
FY95	5.4	18.6
FY96	-	19.0
FY97	6.1	17.9
FY98	5.9	17.7
FY99	-	15.6
FY00	7.8	16.0
FY01	-	15.9
FY02	-	13.9

While there is a considerable misunderstanding regarding estimates of unemployment rate, **Chart 11.1** helps in clarifying some of the underlying concepts. The size of the labour force is assessed by estimating the Currently Active Population (labour force) that considers all persons (ten years age and above) fulfilling requirements for inclusion among underline employed or unemployed during the reference period of survey (i.e., one week preceding the date of interview).[11] The ratio of unemployed to the size of labour force gives the unemployment rate.

Figure 11.8: Unemployment and Investment

Some of the important findings of the LFS 1999-2000 are as follows:

- In Pakistan, the participation rate in economic activities has decreased from 29.4 percent in FY98 to 29.0 percent in FY00. The decrease has been observed for male as well as females.

- The structure of employment by industry shows that the share of agriculture sector has increased from 47.2 percent in FY98 to 48.4 percent in FY00 which is an year of exceptional growth. This may be related to a disguised unemployment in agriculture sector. Persons who are not getting employment in the non-agriculture sectors are accommodated by the growing agriculture sector.

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[11] This definition is fully in accordance with the guidelines of International Labour Orgnization regarding compilation of labour statistics.

Chart 11.1:Population and Labour Force

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                          ┌─────────────────┐
                          │   Population    │
                          └─────────────────┘
              ┌───────────────────────┴──────────────────────┐
    ┌──────────────────────┐              ┌──────────────────────────────┐
    │ Persons less than    │              │ Working Age population       │
    │ ten years            │              │ (Persons ten years and above)│
    └──────────────────────┘              └──────────────────────────────┘
        ┌─────────────────────────┬──────────────────────────┐
    ┌──────────────────────┐          ┌──────────────────────────┐
    │ Not Currently Active │          │ Currently Active Population│
    └──────────────────────┘          │ (Labour Force)           │
                                       └──────────────────────────┘
    ┌──────────────────┐        ┌──────────────┐      ┌──────────────┐
    │ Voluntarily      │        │ Unemployed   │      │ Employed     │
    │ unemployed       │        └──────────────┘      └──────────────┘
    └──────────────────┘
    ┌──────────────────┐     Those without work but   Those who have worked at
    │ Too young to     │     currently available and  least one hour during the
    │ work             │     seeking work             reference period on the basis
    └──────────────────┘                              of "paid -employed" or "self -
    ┌──────────────────┐                              employed"
    │ Living on charity│        ┌──────────────┐      ┌──────────────┐
    └──────────────────┘        │ Paid-employed│      │ Self-employed│
    ┌──────────────────┐        └──────────────┘      └──────────────┘
    │ Disabled         │
    └──────────────────┘        ┌──────────────┐
    ┌──────────────────┐        │ Under-employed│
    │ Retired or old   │        └──────────────┘
    └──────────────────┘
    ┌──────────────────┐     Those working less than 35
    │ Engaged in       │     hours a week (involuntarily) but
    │ households       │     seeking additional work
    └──────────────────┘
    ┌──────────────────┐
    │ School going     │
    └──────────────────┘
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- Further, within the non-agriculture sector, two-thirds (65.8 percent) of the employed persons were engaged in informal sector. Informal sector in rural areas has accommodated relatively more employed persons (68.0 percent) compared to urban areas (63.8 percent). This shows that the formal sector is unable to create enough jobs consistent with the labour supply.

- Parallel to the increase in agriculture sector, farming activities have also shown an upward trend from 39.9 percent in FY98 to 40.6 percent in FY00. In addition to other reasons, the disguised unemployment factor may have also contributed to its size, as persons who are not getting employment in other sectors are engaged in farming activities.

- The employment status indicates that self-employed category has increased from 41.5 percent in FY98 to 42.2 percent in FY00. Similarly the employees category have also shown an increasing

trend. In contrast, the unpaid family helpers and employers categories have experienced a downward trend.
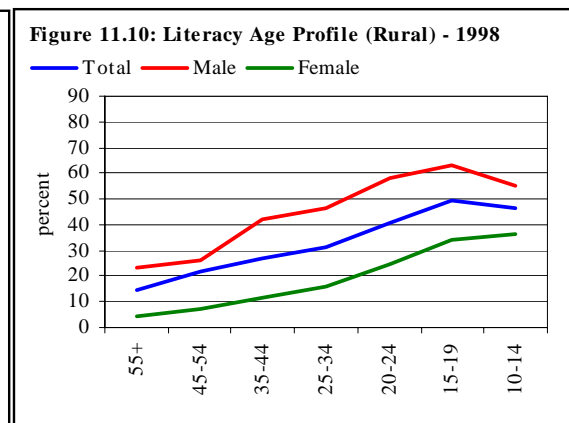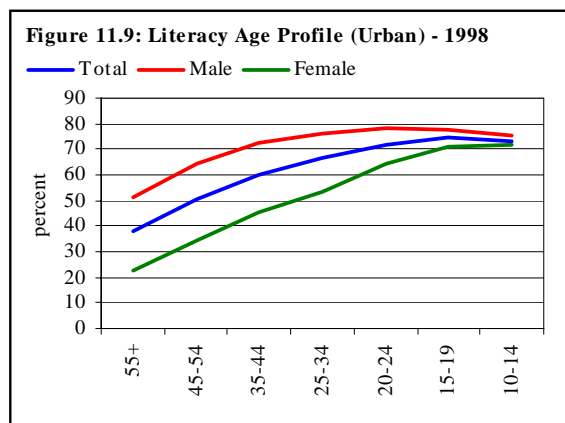
11.4 Literacy

According to 1998 Census, the literacy rate in Pakistan increased for both men and women during intercensal period (see **Table 11.10**). However, there is still wide disparity between male and female, and between rural and urban populations.

| Table 11.10: Literacy Rate		Male	Female	Overall
Overall	1998	56.5	32.6	45.0
	1981	35.0	16.0	26.2
Rural	1998	47.4	20.8	34.4
	1981	26.2	7.3	17.3
Urban	1998	72.6	55.6	64.7
	1981	55.3	37.3	47.1

Source: Pakistan Statistical Year Book 2002

The analysis of the literacy age profile for urban population suggests higher literacy rates for younger group. Interestingly, the gender disparity almost disappears for this age group as the female literacy rate is increasing at a much faster pace. In the case of rural population, though the literacy rate is increasing, the gender-gap remains still very high for all age brackets (see **Figure 11.9** & **Figure 11.10**).

Figure 11.9: Literacy Age Profile (Urban) - 1998

Figure 11.10: Literacy Age Profile (Rural) - 1998

Looking from a different perspective, the difference in the male literacy rate between rural and urban population is falling with lower age. However, disparity in the female literacy rates is widening with lower age groups (compare **Figure 11.9** with **Figure 11.10**).

11.5 Education

The primary gross enrollment ratio (GER) is one of the indicators for measuring the success of initiatives undertaken in the education sector.[12] In the case of Pakistan, though the female GER has increased marginally during 1991-99, there is a notable fall in the male GER, which is a point of great concern (see **Figure 11.11**).
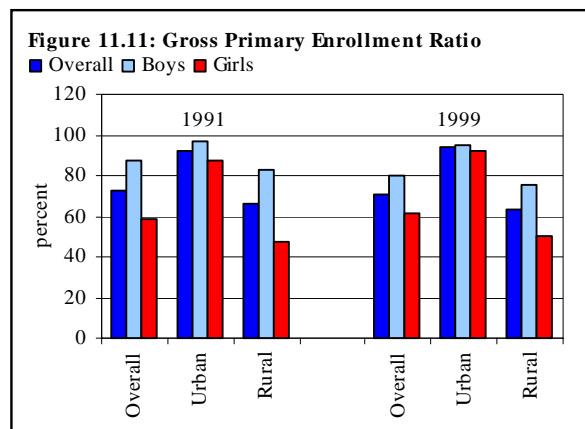
A further analysis shows that the drop in male GER is more pronounced in the rural population. The female GER, however, is

Figure 11.11: Gross Primary Enrollment Ratio

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[12] The primary gross enrollment ratio is the number of students enrolled at the specified level (regardless of their age) as percent of population of official school age for that level.

showing an improvement both in rural and urban areas, and thereby leading to decline in the gender gap.

The inter-country comparison of selected indicators in the education sector reflects very poor standing for Pakistan (see **Table 11.11**). This shows that the education sector is generally accorded low priority in economic policy decision despite its important role in economic growth and poverty reduction. The situation is more disturbing as the lower quality of education and mismatch of acquired skills with the market demand lead to lower returns on investment in human capital. This, in turn, weakens the role of education as a catalyst in poverty reduction efforts. The poor education also drags country's ability to adopt technological innovation, and in turn integrating with the global economies.

Table 11.11: Education Indicators for Selected Countries

	Expenditures as % of GNP		Adult literacy ratio (age 15 and above)		Gross primary enrollment ratio[1]	
	1985-87	1995-97	1985	2000	1970	1997
Pakistan	**3.1**	**2.7**	**31.4**	**43.2**	**40**	**74**
Malaysia	6.9	4.9	76.4	87.5		
Thailand	3.4	4.8	90.3	95.5		
Sri Lanka	2.7	3.4	87.1	93.3	99	109
China	2.3	2.3	71.9	84.1		
Indonesia	1.0	1.4	74.7	86.9		
India	3.9	3.2	45.2	57.2	73	100
Bangladesh	1.4	2.2	32.0	41.3	54	92

Sources: Human Development Report 2002, UNDP

[1]: Human Development in South Asia 2001, Globalization and Human Development, Mahbub ul Haq Human Development Centre, Oxford University Press.

11.6 Health

Health is also closely related to the social sector performance. In this regard, infant mortality rate, life expectancy at birth, access to basic health services, and expenditure on health services are important indicators.

Infant mortality rate (IMR) reflects the quality of health services provided in the country. As shown in the **Table 11.12**, IMR declined from 107.7 in 1990 to 85.0 in 2002, but it is still very high on account of unhygienic livings, infectious diseases, malnutrition, and lack of education and information of childcare on the part of mothers.
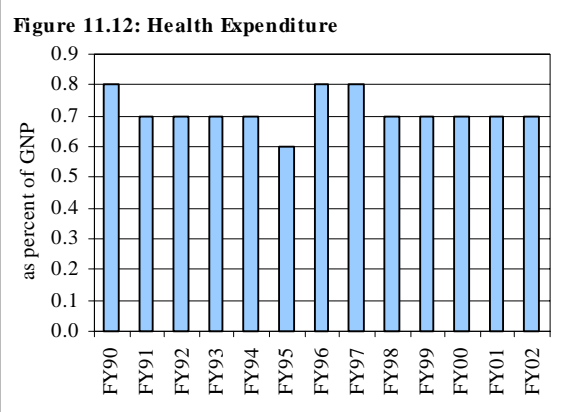
Table 11.12: Indicators of Health

	1990	2002
Infant mortality rate (per 1,000 live births)	107.7	85.0
Life expectancy at birth (years)	57.7	63.6
Expenditure on health (as percent of GNP)	0.8	0.7
Mortality (per 1,000)	123[1]	110.3

[1]: Mortality rate pertains to the year 1996.

Life expectancy at birth is about 63.6 years in Pakistan in year 2002, although it has improved from year1990 (see **Table 11.12**), but still lower than the average of 67.3 years for countries at medium level of human development. Furthermore life expectancy in males is slightly higher (63.7years) than the females (63.3 years).

Figure 11.12: Health Expenditure

Under 5 years mortality (per 1000) has also reduced but still far behind as compared to Pakistan's peer group. Maternal mortality rate ranges between 350-500 per hundred thousand live births. Consequently, every year about seventeen thousands newly born become motherless, which reflects the poor health conditions.

The low budgetary allocation explains much of the poor performance in the health sector. As shown **Figure 11.12,** expenditures on health are unchanged for the last five years.

In comparison to other regional and developing countries, the Pakistan's performance in the selected health indicators is not satisfactory (see **Table 11.13**).

Table 11.13: Indicators of Health

	Life expectancy (years)		Infant mortality (per 1000 live births)		Under 5-years mortality (per 1000)	
	1990	2000	1970	2000	1970	2000
Pakistan	**57.7**	**60.0**	**118**	**95**	**183**	**110**
Malaysia	70.1	72.5	46	9	63	9
Thailand	66.1	70.2	74	30	102	29
Sri Lanka	70.9	72.1	65	17	100	19
China	70.1	70.5	85	38	120	40
Indonesia	61.5	66.2	104	40	172	48
India	59.1	63.3	130	69	206	96
Bangladesh	51.8	59.4	148	79	239	82

Source: Human Development Report 2002, UNDP